



# Sequentia

A quarterly magazine on information sources published by the European Audiovisual Observatory

October / November / December 1995. Vol. II, No. 5

## Production finance

- Financing production in Europe: a changing market place
- Ireland's tax breaks for film & television
- Who still goes to the cinema?
- Italy: regulation of a complicated audiovisual landscape

## Production finance.

Markets and  
audiovisual works

10-11

## Who still goes to the cinema?

Rules of the game

12-14

Italy: regulation of a complicated  
audiovisual landscape.

The Television Without Frontiers  
Directive between  
the present and the future.

Publications

15

### Observatory file No. 5

Part III and IV of the guide to European databases will be published in an eight-page supplement to *Sequentia* No.6 (January / February / March 1996), together with a comprehensive overview of all existing databases and cd-roms containing statistical, legal or practical information about the audiovisual industry.

## 1995 is a key year for audiovisual professionals

As European Commissioner, I am delighted to be able to give a brief overview of what has been done to strengthen European television and cinematographic production in the light of the current revolution in sound and image. The launch of digital broadcasting has laid the way open to a whole new range of audiovisual services. The cable and telephone networks will be carrying a vast amalgam of new services, varying from video-upon-request and down-loading of video games right through to home shopping and interactive programmes.

The ensuing globalisation of demand will make Europe a centrepiece for the new opportunities:

- new services, mostly financed by the consumers, will be looking for ever larger markets to reach profitability;
- companies will be having to form European and world-wide alliances to ensure competitiveness within the world market;
- the rising production costs of audiovisual programmes, from cinematographic productions through to multimedia programmes implies an efficient marketing and distribution system over the world market.

The European Union's audiovisual policy is not new. It has been developed over the last ten years, both with regard to the regulatory aspects, implementing the fundamental liberties as guaranteed by the Treaty, and to the mechanisms set up to provide backing for the programme industry.

The principle of unrestricted circulation of television programmes, as laid down by the "Television without Frontiers" directive, has meant the development of the audiovisual sector: the number of channels went up from 80 in 1989 to over 150 in

1994. The framework provided for advertising has led to an increase in the television advertising market, which rose 50% between 1990 and 1992. The first regulations have been laid down for the protection of minors. Obligations regarding the broadcasting of European and independently-made works have been followed for the most part. But this directive still needed improving to have a more secure regulatory framework, to be more efficient and to adapt to the technological and economic development of the market. This is what I did and the Commission adopted my proposal on 22 March 1995.

Within this wider legal environment, the aim of the Media 2 programme is to encourage the production and circulation of European works, through dynamic co-operation between broadcasters and producers, so that these works can find optimum profitability in neighbouring markets. My proposal of February 1995, ratified by the European Council in Cannes in June, provides for 310 million ecus over a 5-year period. Media 2 covers three sectors: training, development, distribution. Priority is given to setting up distribution networks and urging broadcasters to produce together. A large part will be given over to encouraging structural links between distribution companies and television.



To round off the European Union's package and to help attract financing for audiovisual production, I think we should also use modern financial engineering techniques. We are aware that audiovisual creation is a high-risk investment and that the banks that are prepared to give backing are having difficulties obtaining guarantees for loans granted. This is one of the fundamental difficulties of this sector in Europe.

This is why I intend to renew my proposal for an instrument of financial guarantee, which will result in a reduced financial risk and encourage banking institutions and the financial markets to commit themselves more actively to the promising, profitable sector that the audiovisual sector must be.

Finally, we are preparing a Green Book on the new audiovisual services within the information society, in order to launch a constructive exchange on fundamental questions, such as the cultural impact of the information society and the linguistic and cultural diversity of Europe, or the stimulation of the cultural industry.

This, then, represents my line of thinking and is the short-term programme that I have set.

While I am sure that this is the right approach, we should be under no illusion that institutional Europe will provide everything. We shall only succeed through the concerted efforts of all concerned. But if the professionals of the member states can unite in working towards that goal, then Europe will have staked a very strong claim for itself.

By Commissioner Marcelino Oreja,  
in charge of the Audiovisual Policy  
of the European Commission

Coverphoto: © Photoarchives.

*Sequentia* • Published by the European Audiovisual Observatory / 76, allée de la Robertsau / F-67000 Strasbourg / Tel. (33) 88 14 44 07 / Fax (33) 88 14 44 19 • Editorial Chairman and Publishing Director: Ismo Silvo • Editor: Lone Andersen • Editorial Board: André Lange (statistics and market information), Ad van Loon (legal information), Lone Andersen (production, financing and distribution), Ismo Silvo (Chairman) and John Hunter (multimedia and IT) • Secretariat and co-ordination of translations: Valérie Haessig • Documentation: Michèle Weissgerber and Edwige Seguenny • Layout: Thierry Courreau • Typesetting: Point à la ligne • Printing: Finkmatt Impression • ISSN 1022 6338 • Published quarterly • Copyright of the European Audiovisual Observatory. Not to be reproduced without the formal authorisation of the EAO. Subscription rates per calendar year: 400 FF (western Europe) / 200 FF (eastern Europe) / 500 FF (non-member countries). All prices are tax exempt. Subscription manager: Anne Boyer. External contributions for this issue: Commissioner Marcelino Oreja Aquirre (European Commission), Sharon Strover, Associate Professor (University of Texas at Austin, Department of Radio, Television and Film), Paddy Barret (Screen International, Ireland), Carlos A. Martins, Deputy Head (Consejería de Educación y Cultura, Oficina de Promoción del Cine y el Audiovisual), Daniel Zimmerman (Euro Aim), Catherine Conso, Head of Studies (SJT), Professor G. Santianello (Garante per la Radiodiffusione e l'editoria), Théo Hassler, lawyer (Cabinet Lienhard Petitot, Strasbourg) and University Professor. We kindly wish to thank: Vincenzo Cardarelli (European Commission, DG X), David Hancock (Eurimages), The British Film Institute, Dodona Research, Andrea Marcotulli (ANICA), Deutsche Bibliothek, Photoarchives, RAI, Zeise Kinos, Olivier Hieler (CNC - SESDOC), Jacques Fretel (Cinema Arvor, Rennes), Fatima Djoumer (Europa Cinemas), Ms Jole de Rin (Fininvest), Jean Dacie (IDATE), Helga Schmid (European Institute for the Media), Karin Volkner (Eurimages), and Faruk Gunalay.

# Production finance

- Financing production in Europe: a changing market place
- Ireland's tax breaks for film & television
- Spain: the *Comunidades Autónomas* and the financing of audiovisual productions
- A glossary of key terms
- RAP - latest developments

European production finance comes from a diversified range of private and public investors today. Whether pushed by government stimulus and favourable tax incentives as in Ireland (Section 35) and the SOFICA scheme in France, or favoured by a continuously growing investment in production by European broadcasters, all these sources of financing combine to form the basis for independent film and TV production.

Producers of films and television programmes know better than anyone financing is all important. Always on the lookout for new sources of finance, and at all stages of the production process, it is important to seek out new sources and new partners.

Up-to-date and accurate information plays a key role in this process. The *RAP (Resources for Audiovisual Production)* reference file, initiated by the European Audiovisual Observatory and Eurimages, will provide a means not only of navigating one through the labyrinth of public funding schemes and private financing around Europe but also of clarifying the conditions and preferences of these bodies.

The present dossier on "Production finance" contains contributions on three categories of production finance: television, tax-driven investments and regional economic incentive schemes as well as a glossary of key terms.

## Financing production in Europe: a changing market place

In the wake of a decade of liberalisation and privatisation efforts among communication industries world-wide, financing the actual production of the programmes carried over television or cable systems or exhibited theatrically has changed.

The increase in TV outlets over the period 1980-90 has created new programming needs. While many feared that this demand would be met by cheap American programming, in fact the financing and creation of media content within Europe has escalated. Imports vanished entirely from the prime-time schedules of major broadcasters in the United Kingdom as reported by the BFI, and trade journals confirm the same trend in most European countries: American imports, once a mainstay of prime time within several European countries, have been somewhat displaced by locally-produced fare. At one time, the sources of financing for film and television production revolved around public broadcasters, state support programmes, and perhaps a few commercial companies. Now, private television companies, the private financial sector, and various joint ventures pooling money from international businesses and organisations play important roles.

For example, according to a report by the Association for Commercial Television in Europe (ACT), the total production investments by German commercial broadcasters rose from 130 million DM in 1989 to 1,961 million DM in 1993; while unable to match this record, French commercial broadcasters' (TF1, La Cinq, M6, and Canal Plus) investments went from 544.91 million francs to 1,286.6 million francs between 1987 and 1993. Smaller but still important increases are evident in the United Kingdom's and Italy's commercial television investments (from 380 in 1988 to a projected 550 million pounds in 1995 for the UK's ITV companies and from 120 thousand million to 180 thousand million lire between 1987 and 1992 for Italy's fiction production only, according to ACT statistics). While information on how much of this investment goes to entirely new production as opposed to acquiring existing programming is difficult to obtain, examinations of broadcast schedules indicate that more and more of such funding is going to new productions.

The UK's Channel 4's approach often relies on modest post-production grants for larger projects that allow the channel to stretch its budget but still have original fare. While this channel's personality always has been somewhat unusual in combining a

public as well as a commercial identity, its reputation for backing independent films that are successful theatrically (as well as on its channel) has made it a significant part of the British film industry; in 1992 for example, Channel 4 supported 18.4% of British screen films. (However, it should be noted that a tax benefit favouring film investment by ITV companies was discontinued in 1993, thereby reducing their incentives for cinema production.)

Several French commercial broadcasters likewise invest heavily in cinema, although their films typically do not have the theatrical runs more common in the UK. Dominant channel TF1 spent roughly 20% of its 1993 production investment on films, while pay-service Canal Plus spent about 85% of its production funds (613 million francs) on French or European cinema in 1992. Among the satellite channels, BSKyB is making larger commitments to production; it recently agreed with British Screen to contribute to feature films and will increase its commissioned programming as well. As relatively new and fast-growing actors in the production domain, pay-television services bring many financing possibilities.

### Incentives for investments

High production costs foster different collaborative arrangements. The emergence of European private television as important to production financing has accompanied the rising cost of production. According to one report from the CERICA (Centre européen de recherche et d'information sur le cinéma et l'audio-visuel) the average cost of a French film rose by about 300% in inflation-adjusted terms between 1980 and 1989 from 4.28 million francs to 21 million francs, paralleling increases around the world. On television, high quality dramatic programming of the sort that attracts large audiences in prime time is particularly expensive, and even those broadcasters with sterling production reputations take on partners to help cover the costs of such endeavours.

Other factors influencing different financing strategies include regulations in some countries that require broadcasters to invest a certain percentage of their revenues in new production, reduced advance payments for film by national or international distributors (one estimate for France alone observes that the overall production financing share from distributors declined from 30.4% in 1985 to 6.4% in 1993) and more

reliance on English language (and especially American) films to reduce theatrical exhibition risks. Finally, the absence of a process whereby media products (especially films) move through predictable, successive stages of exhibition windows renders the production - exhibition process more complex and also reduces potential returns.

In response, public and commercial broadcasters increasingly work with independent producers or production subsidiaries. These arrangements do create financial situations more complicated in terms of rights and responsibilities. The broadcasters attempt to sell more programmes to international markets and to co-produce whether through pre-sales, co-financing, output deals or full, creative arrangements in order to stretch budgets and to extend distribution. As more parties become involved in production, the allocation of roles and the interdependencies among investors, producers, and exhibitors can become muddy, rendering the entire process riskier.

Establishing production subsidiaries, working with independent producers, and co-producing are some of the financing and producing vehicles that are more common now than ever before. Although there is a long history of co-production in film, such collaboration among producers especially transnational co-production escalated in the 1980s for both film and television.

One does not have to look very far to see broadcasters investing or taking equity stakes in various production companies. Hamster Productions, one of France's successful production companies, has investment from Capital Cities/ABC (to be merged with Disney), as do other production companies in Germany, Spain and the UK. ITV company subsidiary ITEL is partially owned by Home Box Office, and, as a subsidiary, can produce not only for its parent, Anglia, but also for Channel 4 and other clients. Several European production groups established reciprocal subsidiaries in the US, particularly in the late 1980s, as a way to buy into America. But European subsidiaries are common as well; large private broadcaster Fininvest in Italy maintains European production subsidiaries, as does KirchGruppe (BetaFilm, Taurus-Film and Iduna). A key advantage to the subsidiary based in another country is its ability to qualify its undertakings as domestic production. Although Kirch's SAT.1 is well known for its library of 15,000 films and 40,000 television programmes, as is Berlusconi's

### RAP - Resources for Audiovisual Production Latest developments

Since the end of 1994, the European Audiovisual Observatory has been setting up a reference file - for Resources for Audiovisual Production (RAP) - in close collaboration with Eurimages and the Centre national de la cinématographie (Paris). The aim is to provide professionals with easy access to information on various funding sources for audiovisual production, for example, public aid mechanisms, distributors, broadcasters, banks and financial organisations, and sales agents.

As a partner of the Observatory in the practical information area, CNC is currently finishing the collection of data concerning regional, national and European aid mechanisms for the production and distribution of audiovisual works available throughout the thirty-three member states of the Observatory. Detailed information about the applicability and conditions of these funds, presented in a fact-sheet form, can be obtained through the Observatory's Information Service Desk from October 1995.

A comparative research report, containing an analysis of the public funding systems and their development over the past decade, will be published in French, English and German in early 1996.

For further information, please contact:  
Ms Lone Andersen  
European Audiovisual  
Observatory  
76, allée de la Robertsau  
F - 67000 Strasbourg  
Tel. (33) 88 14 44 07  
Fax (33) 88 14 44 19

Fininvest holdings, these networks use their subsidiaries to co-produce as well.

Co-production for both film and television financing is widespread, and in fact it is now probably necessary for theatrical film financing. With television's more domestic focus, co-production has faced hurdles, yet it remains a useful tool that gives producers the opportunity to tap international markets and capital. The BBC, for example, has partnered for many years with several US public broadcasting stations and with cable channels such as HBO, Arts & Entertainment or Discovery in recent high budget productions such as *The Buccaneers* or *The Secret Life of Plants*. It typically arranges pre-sales with minority partners who contribute 10-20% of programming costs. The French typically have co-production deals that entail more equitable investment and shared control over projects. While co-production between broadcasters and independent producers in France most recently has declined, new regulations allowing broadcasters to include European co-productions as part of their French content quota commitment even when the projects are not shot in French may encourage this mechanism.

Today the best production arrangements in Europe are evaluated more carefully from the outset; producers gauge distribution markets more critically than did some of the so-called "Euro-puddings", which circulated in the late 1980s and 1990s. The 1991 soap opera *Riviera*, for example, a well-known international co-production involving companies from France, Italy, Germany, the UK, and Spain that hoped to distribute the series, failed in part because the national "types" concocted within the story never seemed appropriate to the separate nationalities of target audiences. Hiring a cast from several countries could not compensate for the absence of a core to the series, although there were certainly other problems as well with this well-funded attempt. Audiences in the participating countries ultimately could not accept the series. Other programmes or films with plots taking one to several European capitals and with well-known actors from several countries too often seem forced and compromise story at the expense of satisfying a production look or involvement from participating countries.

At present, wisdom on such efforts is that story or content should drive the co-production effort. As one executive at the BBC puts it, "the best co-productions are developed at the script stage, and multiple lines of authority don't work!". One driving force (or one driving company)

that can maintain the production's focus on the essential story or argument of the programmes seems to be what the best co-productions share. While nature series and music programmes are obvious candidates on which compromise among multiple partners can be minimal, high budget drama – which requires the money available from multiple sources – can be more problematic. Co-produced documentaires and public affairs programmes can work very well if the subjects chosen have broad appeal to multiple audiences. If co-production is so difficult, why do it? What are the incentives to co-produce?

### Enhancing and developing co-production

First, production costs are too high to be covered by any one organisation. Even if a domestic broadcaster is enthusiastic about a programme, it is often the case that the broadcaster cannot cover the entire cost of its production. Indeed, it is the only way large scale productions such as prime-time dramas can get underway.

Second, the co-production utilises production budgets rather than acquisition. This means the programme can earn more money in distribution and be identified as "domestic" rather than a purchased, foreign import.

Different parties to a co-production have different, sometimes conflicting, objectives. When broadcasters invest in production, they want free and clear, maximum broadcast plus ancillary rights for their territories; other investors such as banks want rapid capital recovery plus a share of profits; a distributor wants access to the maximum distribution territory and commissions, with no rights withheld. Finally, producers want the freedom to make a production in their vision, with their costs and fees covered, and a share of the profits. With each party vying for these rights (bearing in mind that sometimes more than one role is taken by an individual organisation in this scenario), the process of obtaining or generating attractive programming has many opportunities to sour.

Finally, various national and regional programmes encourage production through financial incentives. Production subsidiaries, co-production, and government support programmes also benefit from the involvement of private financial institutions. For example, banks and other financiers use completion guarantees to underwrite television and film production. This mechanism, common in the United Kingdom as well as among independent production efforts in the United States, allows the companies functioning as completion

guarantors to advance funding to producers. In return for their willingness to guarantee a film or programme will be delivered on time, the guarantor extracts a fee. Projects able to exploit this arrangement must be well organised and illustrate an understanding of the risks involved – and how they plan to contain them. The growing availability of completion bonds suggests that sources of private capital recognise the need and potential for more European programming. Such programmes generally cannot entirely fund an entire production, but their contributions can make a critical difference. Co-production treaties allow qualified productions access to pools of funding within certain countries. France has more such treaties than any country, and its support programmes have been extensive. Ireland instituted favourable credits for companies engaged in production work there, and countries such as Canada and Australia have gone so far as to cover some production costs by offering loans or even taking equity roles in the product. The European Union's MEDIA programme's support has helped smaller productions, although the next MEDIA II programme promises to focus on giving more money to fewer and larger budget productions in order to stimulate more transborder programme flow. The Eurimages programme also supports co-productions with direct financial grants, and is involved in about 20% of all European feature films.

The past ten years have brought many new financing mechanisms and partners into audiovisual production, with the private sector's role becoming more prominent. While not much has been said here about the content resulting from these new arrangements, it is at least clear that additional funding opportunities have stepped up production on many fronts, and that in many cases co-production can be a useful tool for generating programmes that satisfy numerous audiences. The national and regional support programmes can influence incentives for the private production and distribution structure. That said, it remains for these programmes to define the accommodation between industrial and cultural needs and to work with producers to create a nourishing environment.

Dr Sharon Strover,  
Associate Professor  
Radio Television and Film  
Department,  
University of Texas at Austin

Dr Strover is undertaking a major research project on the evolution of European production finance. International co-productions and the creative as well as financial compromises they may require are key components of this research. She teaches and conducts research in the areas of new communication technology and policy issues.

## Ireland's tax breaks for film & TV production

Thanks largely to generous tax breaks for private investors, Ireland's feature film industry is currently enjoying a production boom that began in 1993 and shows little sign of slowing. The country's burgeoning film industry grew by 250% in the period from 1989 to 1993, and annual production expenditure had risen from an average of IR£23.4 million to a record IR£58.5 million in 1993. This year's estimated combined budget totals of features shooting in Ireland is likely to break the IR£100 million mark for the first time in the history of the state.

The reasons for the remarkable turnaround in the Irish film industry are manifold, but most can be related to a unique level of co-operation between the private sector and the government. Such a partnership was not always the case, however, and misunderstandings between the two led to an abrupt cancellation of government support for film eight years ago, when the film industry went into decline.

The 1980s, in fact, witnessed a mini-production boom that was halted in 1987 when the government removed the main source of subsidy to the industry in the form of the Irish Film Board. The industry, still learning to cope with the international market place and lacking the expertise to source sufficient financing outside the country, all but stagnated for five years.

There were important exceptions, however, among them the emergence of Oscar-winning talent in directors like Jim Sheridan and Neil Jordan, a vigorous lobbying group representing producers and directors.

The government was finally persuaded to take the initiative in 1992, following the publication of two independent consultants' reports that demonstrated attractive returns to the exchequer if steps were taken to revitalise the industry. For the first time, the government took an initiating role, coherent approach to developing the film industry, and actively sought the co-operation of the private sector.

Two decisions taken early in 1993 provided the springboard for today's rapid growth. The first was the re-establishment of the Irish Film Board, with an annual budget of approximately IR£3 million, which provides "soft" loans to producers. The second concerned extensive changes to the financial incentive for private investors known as Section 35. This tax relief scheme for film was actually introduced in 1987, but had been barely utilised up to 1993. It was cumbersome for investors, the amounts allowed were low, and Irish producers still lacked, in general, the deal-making know-how to make the scheme work for their clients.

Section 35 was amended significantly in 1993 and, with increased confidence in the market, investors were soon clamouring for film projects to invest in. The contrast with previous years could hardly have been more pronounced in the first six years if its operation, only IR£11.5 million had been raised under Section 35. However, in the single tax year to April 1994, IR£17.5 million was raised. In the most recent tax year, to April 1995, over IR£90 million of Section 35 funding was raised for film production, and the rate of investment is still accelerating today.

The scheme allows a maximum investment in a film-producing company of IR£1.05 million over three years, or IR£0.35 million per year. These figures apply to incorporated companies, but following amendments introduced in 1993, individuals can invest up to IR£25,000 per year in a qualifying company. The total amount invested can be deducted from taxable profits of the company or individual, and if the film is successful, investors stand to recoup their stake and share in the profits.

In order to return the exchequer costs to the economy, Section 35 rules stipulate that certain percentages of production activity must be carried out in Ireland. These range from 75% for a fully-Irish produced film, down the scale to 10% of total budget spend for an international co-production. Up to a

maximum of 60% of a film's budget can be financed under Section 35.

A report published earlier this year by the Irish Business and Employers Confederation (IBEC) states that Section 35 had now become the largest single source of domestic funding, and represented 23% of total funding in the years 1989-93. (The US was, as in previous years, the largest source of funding overall, at 39%.) The same report also published details of an extensive cost-benefit analysis of the industry, comparing the cost of tax breaks to the exchequer and the net gains resulting from increased expenditure in the economy and additional tax revenue. It claimed that for every pound forfeited by the government (from tax foregone under Section 35), the economy gained IR£1.07. Recent comments by IBEC suggest that future analyses will show an even greater net benefit once wider criteria are applied.

From the government's perspective, Section 35 tax relief benefits the state in so far as film productions utilising the scheme make a significant contribution to the national economy and exchequer. Furthermore, the activity generated as a result of Section 35 contributes to employment, and is playing a key role in stabilising the industry. Already, the government can be confident that Section 35 is, broadly speaking, fulfilling its designated purpose.

Although Section 35 is due to expire next year, producers are confident that the government, and in particular the Minister for Arts and Culture, Michael D. Higgins, will renew it for a further five years. Its successful role in revitalising the Irish film industry has seen official observers from the UK visit Ireland to discuss first-hand the operation of the scheme, as the London government contemplates introducing a similar tax break there.

Paddy Barrett,  
Former editor of *Film Ireland*  
and correspondent  
for *Screen International*

## Spain: the *Comunidades Autónomas* and the financing of audiovisual productions

With the advent of democracy, after some 40 years of dictatorship under the Franco regime, Spain embarked on a large-scale exercise in the decentralisation of central government responsibilities. This process owed a great deal to the existence of separate regions in Spain, each with its own centuries-old political, social and political identity. The Franco regime had created a strongly centralised state that severely repressed any signs of this regional individuality. To put all the regions on an equal footing when their political identity was realised, the new Constitution split the country up into seventeen different regions, the *Comunidades Autónomas*.

Those regions with the strongest historical identity took swift steps to adopt measures aiming at developing their system of communication, including those sectors devoted to cultural production. Regions that also boasted a separate linguistic identity, notably Catalonia, the Basque Country, Galicia and València, each assumed the cultural mantle as a means of political expression. It was no mere coincidence that the first public regional television channels were set up in the early 1980s in those regions, even before the relevant legal framework had been laid down. Two other *comunidades* quickly followed suit in setting up their own radio-television broadcasting organisations: Andalusia and Madrid.

The fact that these six regions have commanded over 90% of the total investment in audiovisual means, notably in audiovisual production (see table below), cannot be put down to chance either.

The main investor in the sector does, however, continue to be the state, with 5 261 million pesetas (Mpts) in 1993. During the same period, the seventeen *Comunidades Autónomas* invested 2 344 Mpts, which only amounts to some 5% of the total budget for culture: the audiovisual sector ranks below archeology and heritage, museums, music, archives, public libraries, theatre and dance in terms of investment.

Catalonia is the region that has invested the most in cinema-

graphic and audiovisual production, with over 1 100 Mpts in direct grants for film production between 1983 and 1990. This funding has been steadily increasing and is spread over several different areas: development, cinema production (feature length and short films) and television production. The Catalan Government has also drawn up an agreement with their broadcasting organisation (Corporació Catalana de Radio - Televisió) which had at its disposal an extra fund of 1 200 Mpts in 1994 (including 450 million from the Department of Culture). The fund is regulated by another agreement, drawn up this time between the Television Corporation and the Catalan Producers' Association: this is the only agreement of its kind in a Spanish region (although there are agreements signed between producers' associations and television on a state level).

Andalusia earmarked 147 Mpts of subventions for cinema and video production between 1985 and 1992; other investments were made in co-productions by the public corporation, Productora Andaluza de Programas. The Generalitat of València began to fund its production industry in 1986, the total amount invested remaining under the 500 Mpts mark right up to 1992; similar sums have been invested by the Galician Government, over five years (1988-92).

The region that seems to have got the best return on its money is the Basque Country. They began allocating funds to production companies and sector professionals back in 1981, reaching a total of 800 Mpts by 1992, in which year they set up Euskal

Media, a public corporation entrusted with the task of launching co-productions with independent production companies. The maximum amount that can be invested in a film is 40 Mpts, or 25% of the film's budget. Euskal Media has an overall investment budget of 165 Mpts for 1995.

Madrid only set up a funding framework for the audiovisual industry in late 1994, although the outline for a regional policy for the sector dates back to 1990. The blueprint for this Bureau does not, in any case, include financial backing for audiovisual production, although there is a programme that provides help for marketing cinematographic, audiovisual and multimedia works. There is also a programme that provides aid for investment in production and management equipment and material. The Bureau will also have a Film Commission that will help with films being made in the region and an organisation providing information and guidance. It will also be arranging regular events and activities aimed at sector professionals and companies.

All these regional support programmes are concerned with ensuring that one way or another production and filming take place in their own regions, by locally-based professionals and companies (irrespective of their nationality) and/or in the local language. It is likely that these programmes will become increasingly important over the next few years.

Carlos Alberto Martins,  
Deputy Director of the Oficina de promoción del cine y el audiovisual  
Comunidad Autónoma de Madrid

### Overall budgets of the *Comunidades Autónomas* for audiovisual policy in 1993 (in pesetas)

1. Catalonia	785 800 000
2. Basque Country (Euskadi)	402 950 000
3. Andalusia	356 920 000
4. Valencia	273 767 000
5. Galicia	235 393 000
6. Madrid	115 373 000
<b>The six highest investments</b>	<b>2 170 203 000</b>
<i>Other Comunidades Autónomas</i>	174 017 000
<b>Total</b>	<b>2 344 220 000</b>

Source: Ministerio de Cultura: Mapa de Infraestructuras, operadores y Recursos Culturales, pages 219; own figures.

### Useful addresses

Catalonia  
Generalitat de Catalunya,  
Departament de Cultura  
Direcció General de  
Promoció Cultural,  
cinematografia i Vídeo  
Diputació 279-283  
E-08007 Barcelona  
Tel. (34) 3 488 10 38  
Fax (34) 3 487 41 92

Basque Country  
Euskal Media  
Bergara Kalea, 3, 6°B  
E-20004 Donostia  
Tel. (34) 43 42 98 14  
Fax (34) 43 43 09 00

Andalusia  
Productora Andaluza de  
programas  
Julio César, 3, 1 D  
E-41001 Sevilla  
Tel. (34) 5 422 76 20  
Fax (34) 5 422 20 08

Galicia  
Xunta de Galicia  
Consellería de Cultura,  
Dirección Xeral de Cultura  
San Caetano, bloque 2  
E-15701 Santiago de  
Compostela  
Tel. (34) 81 54 48 16  
Fax (34) 81 54 48 02

València  
Generalitat de València  
Direcció General de  
Promoció Cultural, Secció  
Cinematografia  
Av. Campanar 32  
E-46015 València  
Tel. (34) 6 386 65 00  
Fax (34) 6 386 65 74

Madrid  
Comunidad de Madrid  
Consejería de Educación y  
Cultura  
Oficina de Promoción del  
Cine y el Audiovisual  
Princesa 5  
E-28008 Madrid  
Tel. (34) 1 580 45 84  
Fax (34) 1 580 45 67

Basic bibliography:  
Ministerio de Cultura:  
Mapa de infraestructuras,  
operadores y recursos  
culturales (MIOR). Madrid,  
Ministerio de Cultura,  
Secretaría General Técnica,  
1995.

José María Álvarez  
Monzoncillo (Director):  
La industria cinematográfica  
en España (1980-1991).  
Madrid, Fundesco/  
Ministerio de Cultura,  
Instituto de la  
Cinematografía y las Artes  
Audiovisuales, 1993.

France:  
drawing up a chart  
of accounts for  
audiovisual  
production

The SJTI (Service juridique et technique de l'information et de la communication - the Legal and Technical Department for Information and Communication) and the CNC (Centre national de la cinématographie - the National Cinema Centre) have been working in close co-operation with USAP (Union syndicale de la production audiovisuelle - the Audiovisual Production Union) and the SPI (Syndicat de la production indépendante - the Independent Producers' Union) to draw up a Chart of Accounts for Audiovisual Production. The project should be finished by late 1996. Audiovisual producers and the users of accounting and financial data concerning the sector (banks, auditors, public authorities, customers and suppliers) are all aware of the need to make a production company's accounts give a truer and more homogeneous picture of the company's financial situation. Previous preparatory studies reached the conclusion that a chart of accounts should be drawn up, consisting of four elements:

- accounting standards (chart of accounts and accounting method);
- financial disclosure standards;
- standards for evaluating the film library (physical inventory and copyright inventory);
- special accounts guide that will act as the reference book for a production company's accountants and other parties who need to analyse the accounts. The first two elements will be put before the National Accountancy Council during the second half of 1996. The reform of accountancy procedures should actually be implemented as of 1 January 1998. Accounting standards are due to be defined in 1995.

Information:

SJTI  
Mrs Catherine Conso,  
Study Leader  
Hôtel de Clermont  
69, rue de Varenne  
F-75700 Paris  
Tel. (33) 1 42 75 57 54  
Fax (33) 1 42 75 57 40

## Film finance

### A guide to the essential terms

#### Adjusted rate of return (ARR)

A method of calculating the anticipated rate of return on an investment, which is useful in evaluating all of the economic benefits of an investment and in comparing economic benefits to the present value of the investment.

#### Amortisation of negative cost

The accounting procedure by which a film's negative cost is charged against the film's revenue.

#### Backend

A film's revenues generated from exploitation of the film in all or specified markets. Percentage participations in such revenues are negotiable but are usually not paid until after distribution and/or production costs have been recouped.

#### Bank financing

The funding of a film or film projects with bank loans. Banks generally make no value judgement on the quality of a film's script or the potential draw at the box office; rather its officers will look to the contracts the producer has secured from its domestic and foreign theatrical distributors, video-cassettes, television stations, etc. The bank discounts such contracts to their present value and charges a competitive business rate of interest. Banks will also ask the distributor rentals prior to distributor deductions and payments to the producer.

#### Bondable

An adjective used in the film business to describe someone or something (for example producer, production company, director, actors, line producer, etc.) that, when attached to a project, will enhance the ability of the producer to obtain a completion bond for the film. The assessment by which the completion guarantor will be partly based on the success of such individuals or entities on prior film projects.

#### Breakeven

The point at which sales equal costs. In film, the specific point at which an exhibited motion picture neither makes nor loses money, that is, receipts cover all costs attributed to the picture by the

individual or entity calculating breakeven. Above this point, a film begins to show a profit; below, a loss. In other words, breakeven is the point in a film's revenue stream at which the income to the exhibitor, distributor or producing entity is said to equal such an entity's costs of producing and/or distributing the film.

#### Cash flow

As generally in a business, an analysis of all the changes that affect the cash account of a business during an accounting period. In investments, cash flow is the same as cash earnings, that is, net income plus depreciation and other non-cash charges. In the film business, the term is also used to describe how a film's revenue stream flows from its source, namely, the box office to the investors and other net profit participants who are generally last in line, showing what deductions are taken out along the way and by whom.

#### Cash flow crunch

A reduction either in the amount of funds returning to the financiers of motion pictures or in the rate at which invested funds return to such financiers. In the film industry today, cash comes back much more slowly than in the past, when the domestic theatrical market was the dominant market for the exploitation of films. Today, with ancillary markets such as home video and cable providing the bulk of film revenues, the industry actually has to wait much longer to receive its invested cash.

#### Chain of title

The successive conveyances of a certain property commencing with the original source, each being a complete conveyance of the title down to and including the conveyance to the present holder.

#### Completion bond

A contractual commitment similar in form to an insurance policy (but not actually insurance) that guarantees that a film will be completed and delivered pursuant to specific requirements, that is, on schedule, within the budget and without substantial deviations from the approved script. The completion bond provides pro-

tection against overbudget costs and is supplied by a third party guarantor. It is in the written form of a surety instrument and usually authorises the guarantor to take control of the production if the terms of the agreement are not met.

#### Completion guarantee

An agreement under which a completion guarantor guarantees to the financiers of a film, or a distributor who has advanced money prior to delivery, that the film will be completed and delivered by a given date to its principle distributors in accordance with the relevant distribution agreements.

The completion guarantor will not be under any liability to complete and deliver the film until a specified level of financing known as the strike price has been advanced by the financiers. Once the strike price has been paid the completion guarantor will have the option of abandoning the film. Also, the completion guarantor will not accept any responsibility for the artistic quality of the film. If the film is not delivered by the given date, the completion guarantor will repay to the financiers the sums they have advanced towards the cost of the film.

The completion guarantee may be supported by a loss payee endorsement. There will also be an agreement between the completion guarantor and the production company, under which the production company agrees to produce the film in accordance with the financing and distribution agreement and to permit the completion guarantor to take over the production in certain specified circumstances and grants to the completion guarantor a charge or security interest over the film.

#### Collateralise

The pledging of an asset to a lender until a loan is repaid.

#### Credit

Loans, bonds, charge-account obligations and open-account balances with commercial firms. Also, available but unused bank letters of credit and other standby commitments as well as a variety of consumer credit facilities.



**Cross collateralisation**

The application of revenues derived from one source, whether a territory or a means of exploitation, towards the recoupment of an advance paid by a distributor or a sales agent in respect of revenues arising from another territory or means of exploitation all falling within the same grant to a distributor or agent.

**Development financing**

Raising money to pay for the development activities relating to a film or films.

**Discount**

To discount, for example, a distribution agreement means the assignment to a lender of the benefit of a distribution agreement under which advances are payable on delivery of the film in return for a loan which can be used to meet the costs of production of the films as they are incurred. The agreement is discounted because the sum made available by way of loan is less than the amount of the advance. The difference covers the lenders fees and legal expenses and the interest calculated to be payable on the loan during the period until the contractual repayment date.

**Internal rate of return or IRR**

An investment appraisal technique, also known as discounted cash flow yield, from which the profitability of a project or investment can be assessed. The IRR of an investment is the rate of return at which its anticipated future income and expenditure (cash flows) must be discounted to give a net present value of zero. If the IRR is greater than the anticipated cost of funding the project or investment, the project is likely to be profitable.

**Investor financing**

A broad category of film finance, namely the funding of a motion picture project or projects through an investment vehicle, that is, the placement of capital in an endeavour with the hope of making a profit. Generally, the distinction between active and passive investors forms the basis for distinguishing between a non-securities investment offering, respectively.

**Letter of credit**

A written undertaking to pay a sum of money, on delivery to the

person giving the undertaking, of documents in the form specified in the letter of credit. When a distribution agreement is discounted, the lender may insist that the advance payable by the distributor is secured by a letter of credit from a recognised bank. The documents required to trigger payment will usually include a certificate from a third party, often the completion guarantor, which states that delivery has been made to the distributor in accordance with the distribution agreement.

**Loss payee endorsement**

Confirmation from a completion guarantor's reinsurer, given to a film's financiers, to the effect that they can look directly to the reinsurer to make payments under the reinsurance policy in the event that the completion guarantor has a liability to make payment under the completion guarantee.

**Minimum guarantee**

The minimum sum a distributor guarantees will be payable to a producer as a result of the distributor's distribution of the film. The guaranteed sum may be payable at the beginning of the distribution period; as an advance against the producers share of the proceeds of distribution. It may, however, be the aggregate sum that the distributor guarantees will be payable to the producer over the whole of the distribution period. Any shortfall of actual revenues against the guaranteed amount would then be payable at the end of the distribution period.

**Pledge holder agreement**

An agreement under which a processing laboratory agrees with the financiers of a film not to part with possession of the original negative and the principal film materials without prior written consent of the financiers.

**Production funds**

The monies deposited into a feature film production account to be used in the production of a motion picture.

**Recoupment order**

The order in which investors and financiers are repaid their loans and investments (and interest). Although all revenue may be applied in a single order, often revenue from different distribution territories or media are applied in different orders.

**Risk capital**

The money invested in a business venture where such funds are subject to the risks of the enterprise, namely, risk of loss. Generally, if the investor is passive, namely does not participate in the management of the enterprise, such an investment involves the offer and sale of a security.

**Seed money**

The earliest funds required for the activities undertaken during the development stages of a business or firm; more often referred to as preliminary or developmental monies in the context of feature films. The term seed money is typically associated with venture capital fundings, namely, it is the venture capitalists first contribution towards the financing or capital requirements of a start up business. It frequently takes the form of a loan, often subordinated, or an investment in convertible bonds or preferred stock for start-up corporation.

**Takeover**

Completion guarantors and some financiers require a right to take over the production of a film if the producer becomes insolvent, commits a material breach of their obligations to the completion guarantor or the financier or encounters serious production problems. This may involve firing some of the crew and/or cast working on the film, including the director.

**Tax-driven movie financing**

Motion picture investments that are significantly influenced by prospective tax benefits for the investor.

**Tax shelter**

A relief, allowance, deduction or credit for taxation purposes that has the effect of eliminating, reducing or deferring a liability to tax.

**Venture capital financing**

The funding of the production/and or distribution costs of a motion picture with infusions of cash from venture capital firms. Such companies usually invest in going concerns as opposed to a one shot film project and, more typically, in the high-tech arena. Venture capital funds will rarely invest in a film deal.

**Bibliography**

Cones, J. W. *Film Finance and Distribution: a Dictionary of terms.* Silman James Preiss, Los Angeles, 1992. 566 p., ISBN 1-879-505-12-6.

Levison, L. *Filmmakers and Financing. Business Plans for independents.* Focal Press: Boston, 1994. 218 p., ISBN 0-240-802-07-1

Litwak, M. *Dealmaking in the film and television industry. From negotiations to final contacts.* Silman James Press, Los Angeles, 1994. 346 p., ISBN 1-879-505-15-0, \$ 26.95

Baumgarten, P.A. *Producing, Financing and Distributing Film.* Limelight Editions, New York 1992.

Compiled  
by the editor



# Who still goes to the cinema?

Good news for European cinema as it celebrates its centenary: figures for 1994 appear to confirm the upward trend in audience figures within the European Union, which first made itself known in 1993. Although not all the national figures are available as we go to press, estimations show that audience figures in the European Union should have gone over the 670 million mark in terms of ticket sales, representing an increase of 2.4% on 1993. This rise can be put down mainly to the increase in audience figures for the United Kingdom (+9.42%), Italy (+6%), Spain (+1.6%), Belgium (+10.5%) and Germany (+1.76%). France, however, fell back 4.82% on 1993.

France therefore dropped away from top position in the European audience figures league-table, losing its place to Germany. The market has undergone important changes over the last decade, which have brought about a redistribution in cinema audiences: the falling off in cinema-going in France, Spain and Italy in the second half of the 1980s, the re-unification of Germany and the spectacular recovery of UK audience figures. While in 1985 France alone accounted for a quarter of all western European cinema ticket sales, this figure has now dropped to 20%. The three major markets come within a range of 120 to 135 million tickets sold per year. One interesting point is that France represents the lowest proportion of box-office sales for American-made films (60.4% as against 81.7% in Germany and over 85% for the UK) and the greatest number of sales for national films (between 36 and 40 million tickets sold, compared to 20 to 25 million for Italian films, 10 to 12 million for German films and 3 to 5 million for British films). These figures can occasionally be distorted by one-off big hits, such as the 1993 French success *Les Visiteurs* and *Four Weddings and a Funeral* in the UK in 1994.

It is as yet too early to predict audience figures for 1995, although initial figures show opposing trends: audiences in France went up over the first five months of the year by 1.6% compared to the same period in 1994, while audiences for the first half of the year in the United Kingdom slumped by 14.5% against the first half of 1994. Predictions published by Dodona Research indicated an increase in box office figures of 17.4% over the next six years in Europe, to reach 810 million tickets sold by the year 2000.

Results for 1994 also show stable audience figures in the smaller western European countries for which figures are available (Denmark, Finland, the Netherlands).

According to the data provided to the Observatory by the European Institute for the Media it would appear that the slump in central and eastern European countries has continued along the same spectacular lines as since 1989, with Bulgaria down 48%, the Czech Republic down 41%, Lithuania down 39% and Estonia down 32%. Audience figures have, however, been picking up since 1993 in Poland, up 24%, and Slovenia, up 3%.

Apart from classical admissions data, studies are regularly carried out in the major European markets to learn more about the characteristics of cinema-goers. This research could be commissioned by national film centres, professional organisations or cinema chains, but the aims are generally similar: to understand better the demand for cinema in order to react accordingly; in particular as regards setting up cinemas, and to provide information to advertisers. Advertising expenditure in cinemas in 1994, in the European Union, amounted to about 350 million ECUs, or less than 1% of the total amount spent on media advertising. Although this is just a drop in the ocean compared to the total amount invested in advertising, it still represents an additional source of income for cinema operators. Though advertising expenditure is not the same as the revenues actually generated (in particular, agency fees have to be deducted), advertising expenditure, in German cinemas (308 million DM in 1994) can still be compared to box office receipts (1.4 thousand million DM).

Advertising expenditure has increased with growing audience numbers: in 1994 it increased by some 5% in the European Union.

This is why cinema audience research is gradually assuming the same kind of importance as the audience viewing figures for television: the modernisation of cinemas and the burgeoning of multiplexes are helping to bring the cinema back into the advertising mainstream. The great cinematographic networks are now finding themselves in the same position as the private broadcasters; selling their audiences to the advertisers.

## Three national studies

Unfortunately a comparison of three national studies (the CAVIAR study carried out in the United Kingdom on behalf of the Cinema Advertising Association; the *Médiamétrie* study realised in France for the CNC, the FNCF, Circuit A, Mediavision and Proci-Rep; the Astra study carried out in Italy for ANICA and the Presidenza del Consiglio) shows up

the methodological differences between the three, which makes any meaningful comparison that much more difficult. Added to this, the studies themselves are generally only available in synthetic form.

The main problem comes from ranking cinema-going habits. The *Médiamétrie* study divides the public up into keen cinema-goers (at least once a week), regular ones (between once a week and once a month) and occasional ones (under once a month). The CAVIAR typology takes an entirely different approach, splitting its public up into seven categories: those who go to the cinema twice a month or more, those who go once a month, once every 2-3 months, once a year, less often and never. What this boils down to is that CAVIAR subdivides the occasionals into more precisely-defined categories.

Another variance lies in the differences in age of the respective audiences: the *Médiamétrie* study has been studying the French population aged 6 and over, while the CAVIAR study gives its starting age as 7-year-olds and Astra's study starts with 14-year-olds and finishes with the 79-year-olds. The age brackets also vary, along with the socio-professional categories: the CAVIAR study uses the Anglo-Saxon system of ABC1 and CDE2, while the *Médiamétrie* study considers the different professions and qualifications. The three studies all take into account regional localisation while, of course, allowing for the specific characteristics of their respective countries.

The three studies, however, indicate trends that, although not convergent, do allow comparisons to be made. While France, the United Kingdom and Italy have roughly the same size of population (57.8 million, 58.2 million and 57.2 million inhabitants respectively), the cinema-going public varies considerably between the countries. This shows up in the (provisional) figures for the average number of cinema visits made in 1994 per head of the population in the three countries: 2.19 in France, 2.13 in the UK and 1.71 in Italy.

In France, over half of the population (56.4%) aged 6 and over went to the cinema at least once in the year. In the United Kingdom, 68% of the population aged over 7 claimed they never went to the cinema. This would show that the cinema-going population represented 32% of the total, in other words 16.4 million people. In Italy, 38.5% of the population aged 14 and over (18 million people) went to the cinema at least once in the year.

## References :

- BMRB International, *12th Caviar, Cinema and Video Industry Audience Research*, Cinema Advertising Association, 1995.
- CNC Info N° 256 Bilan 1994, CNC, May 1995.
- Dodona Research, *Cinemascope Europe*, Dodona Research, 2 Eastern Boulevard, Leicester, October 1994 (€295).
- "Kinopolis: bilan de 7 ans d'exploitation", *Moniteur du film en Belgique*, Brussels, June 1995.
- A. Marcotulli, "Gli Italiani tra il boom del cinema e il cinema che non c'è", *Cinema d'Oggi*, 15 June 1995.
- The Advertising Association and European Advertising Tripartite, *Latest Advertising Expenditure Statistics*, NTC Publications Ltd, Henley-on-Thames, August 1995.
- Mediasalles, *The European Cinema Yearbook 1995*, to be published in oct. 1995.
- European Audiovisual Observatory, *Statistical Yearbook 1995/96, Cinema, Television, Video, New Media*, 2nd edition, to be published in early 1996.

The three studies confirm some already-existing trends: in all three countries, the cinema-going public is evenly divided up between men and women: the audiences are generally young, urban-based and belonging to the better-off categories of the population. This shows us nothing new and we would like to see a more in-depth approach that includes an analysis of how each age-group's habits are developing and how an ageing population can affect audience figures. It might well be worth while taking a closer look at the debate now in full swing among American professionals over the signs that American cinema audiences are getting older: people of 40 and over now represent a higher proportion than ten years ago (6 - 7% more, but this comes down to 3 - 4% if the overall ageing of the population is taken into account).

The three studies also throw up a common category of "frequent" cinema-goer (found by adding the "keen" public to the "regular" goers) who go to the cinema at least once a month. In the United Kingdom, 7% of the population claim they go to the cinema two or three times a year, while 8% see at least one film a month. The "frequent" category would therefore be made up of 7.7 million regular goers (47% of the total cinema audience). In France, the keen category makes up 4.2% of the public (but 29.8% of ticket sales) and the regular goers another 28.4% of the public (or 46.4% of ticket sales). The frequent category in France would consist therefore of some 9.7 million people, or 32.6% of the total audience. In Italy, the frequent category accounts for about 8 million cinema-goers, making up 43% of the total audience.

To sum up, France, the United Kingdom and Italy all have about the same size of population. In 1994, audience figures for France and the United Kingdom were roughly the same, but considerably higher than those for Italy. However, the French cinema-going audience is larger (over one French person out of two goes at least once a year, compared to under one British person out of three and just over one Italian out of three). The relative importance of the "frequent" category is therefore higher in the United Kingdom and Italy than in France, where the occasional cinema-goer is more common, still representing 23.8% of ticket sales.

### The "keen" cinema-goer in the UK and the "retrievable" Italian public

The series of CAVIAR studies carried out over the years has revealed two contrasting trends in British cinema-going habits: on

the one hand, the percentage of the population who never go to the cinema has been steadily rising since 1984: it went up from 73% in 1984 to 93% in 1994 for the 7-14 age bracket, from 59% to 92% for the 15-24 bracket and from 49% to 83% for the 25-34 age bracket. What can the increase in ticket sales from 54 to 124 million over the same period be put down to? The answer lies in the increase in the number of films the frequent cinema-goers go to see: the percentage of spectators who go to the cinema at least once a month has gone up from 15% of 15-24 year-olds in 1984 to 38% in 1994 and from 4% of the 25-34 age category to 21% in 1994.

The Italian study shows the large number of "retrievable" cinema-goers, those people who had not been to the cinema over the previous six months, but who used to go and who thought they would be going again in the future, who like to watch films and to go out whenever possible. 40% of the "retrievables" live in southern Italy, 15% in central Italy, 26% in the north-west and 19% in the north-east. 52% of the "retrievables" live in towns of under 30,000 inhabitants.

These three different studies show how cinema is to react if it is to survive: continue to attract the occasional cinema-goer in France, get the "retrievables" back on the film path in Italy and capitalise on the growth of the frequent audience in the United Kingdom. It is not within the scope of this article to look at the overall audiovisual market offer, the kinds of cinema available to the public, the number and kind of films shown on television or the development of the video market. Professionals in France tend to explain how French audience figures have held up by referring to the quota of films that can be put out by the television channels. It cannot be denied that the differences are marked: In 1994, 983 films were shown unscrambled on French television as against 1,910 on British television channels. In Italy, in 1993, 2,500 films were shown on RAI and Fininvest, making a total of 3,058 screenings (not counting smaller national or regional channels). According to the ANICA/ASTRA study, only 2% of cinemagoers do not watch films on television, and 70% of them own a VCR for consumption of films on video cassettes. However, the spectacular increase in cinema audience figures in the United Kingdom cannot be explained by the number of films shown on television: the opposite in fact tends to be true, with the development of BSkyB and Flextech pay-channels leading to an increase in the number of films being screened. The United

Kingdom is also the leader in the video market. Box office sales seem to have gone hand-in-hand with the advent of the multiplexes.

The modernisation of cinemas would therefore seem to hold the key to future growth. But is this really a universal remedy? Does

Cinema attendance (1990-1994) in millions

Country	1990	1991	1992	1993	1994	Diff. 94/93
AT	10.15	10.50	9.34	12.04	12.97	7.72%
BE	17.10	16.54	16.56	19.22	21.24	10.51%
BG	19.60	13.30	19.50	11.08	5.72	-48.38%
CH	14.27	15.41	15.00	15.90	16.20	1.89%
CZ	36.40	32.30	30.20	21.90	12.87	-41.23%
DE	102.50	119.90	105.90	130.50	132.80	1.76%
DK	9.62	9.22	8.65	10.22	10.30	0.78%
EE	10.90	7.30	3.40	2.00	1.37	-31.50%
ES	78.51	79.10	83.30	87.70	89.10	1.60%
FI	6.19	6.00	5.40	5.70	5.60	-1.75%
FR	121.77	117.50	115.36	132.70	126.30	-4.82%
GB	97.37	100.29	103.64	114.36	125.13	9.42%
GR e	13.00	10.00	6.50	7.00	6.00	-14.29%
HU	36.22	21.69	15.23	14.80	15.90	7.43%
IE	7.40	8.08	8.26	9.31	10.42	11.92%
IS	1.23	1.34	1.30	1.24	1.24	0.00%
IT	90.70	88.60	83.60	92.20	98.00	6.29%
LT	27.73	13.90	6.57	2.31	1.40	-39.39%
LU	0.54	0.61	0.60	0.70	0.72	2.86%
LV	19.70	11.60	5.20	1.80	1.59	-11.67%
MT	0.25	0.20	0.20	0.25	n.a.	n.a.
NL	14.64	14.86	13.68	15.87	15.90	0.19%
NO	11.38	10.80	9.59	10.90	11.61	6.51%
PL	38.00	18.00	11.00	13.70	17.00	24.09%
PT	9.59	8.23	7.85	7.39	6.40	-13.40%
RO	100.73	57.22	41.02	30.85	25.00	-18.96%
RU e	n.a.	1 343.00	645.00	250.00	100.00	-84.50%
SE	15.70	15.72	14.88	15.98	15.88	-0.63%
SI	2.85	1.79	1.59	2.34	2.80	19.66%
SK	13.90	8.40	11.90	9.00	n.a.	n.a.%
TR	19.23	16.54	13.24	12.50	13.95	12.00%
EUR 15 e	594.78	605.15	583.52	660.89	676.76	2.40%
EUR 33	n.a.	2 178.00	1 413.46	1 061.46	n.a.	n.a.
US	1 189.00	1 141.00	1 173.00	1 244.00	1 290.00	3.70%
JP	145.50	138.33	125.60	130.72	122.99	-5.91%

e = estimation

Source: European Audiovisual Observatory

the sharp decline in audience figures in the United Kingdom in the first half of 1995 indicate the end of the recovery or a wearing-off of the novelty effect of the multiplexes? It is evidently too early yet to talk about a reversal of the trend. Some observers see signs of an overall downturn in the fortunes of new cinemas with the 11.87% drop in ticket-sales in the Brussels Kinopolis in 1994, the prime model in Europe for the new-style cinema complex. However, the decline seems mainly linked to the opening of a new megacomplex in Antwerp, the traditional catchment area of the Kinopolis. Multiplexes still have a bright future and an important role to play in bringing people back to the cinema and even in the renaissance of European film-making. It is something we certainly have not heard the last of.

André Lange,  
Expert,  
European Audiovisual  
Observatory

# Italy: regulation of a complicated audiovisual landscape

The Italian radio and television system, set up by Law No. 223 of 6 August 1990, has acquired a very clear connotation of public and private duopoly, dominated by RAI and Fininvest. The immediate consequence thereof is the sharing out between the two players of virtually all financial resources from the advertising market. The market resulting from this is characterised by a high degree of rigidity, preventing the emergence of a third protagonist or of several other players in the audiovisual sector.

This situation, which has been the subject of heated and detailed debate between politicians and specialists from the sector, was deemed contrary to the achievement of effective pluralism, which led the Constitutional Court to give a ruling.

Between December 1994 and May 1995, the Italian Constitutional Court gave two important rulings: the first (No. 420 of 7 December 1994) on the public and private radio and television system, regulated by Law No. 223 of 6 August 1990 (the "Mammi Law"); the second (No. 161 of 10 May 1995), on certain aspects of the Decree-Law No. 83 of 20 March 1995, renewed with some amendments in the Decree-Law No. 182 of 19 May 1995, which regulates access to the media during election and referendum campaigns.

In its Decision No. 420/95, the Constitutional Court ruled at the request of *Tribunale Amministrativo regionale* (TAR)<sup>1</sup> (relating to effect on constitutional legitimacy) to which the matter had been referred by the *Società TV internazionale*.<sup>2</sup> The latter, although sixth in rank in the national classification for the granting of franchises for television broadcasting, had received a channel with a distribution that was inferior to that of the other national television broadcasters and with reduced coverage in comparison with that enjoyed previously.

Thus the *Società TV internazionale* requested the annulment of the ministerial decree of the Minister of Post and Telecommunications<sup>3</sup> of 13 August 1992 approving the national classification in question.

In particular, during its judgment, the TAR raised the question of the constitutional legitimacy of Article 3, paragraph 11 (planning of radio frequency), and of Article 15, paragraph 4 (prohibition of dominant positions in respect of the number of franchises granted at national level to one single private operator). Moreover, the TAR asked the court to pronounce

as well on Article 1, paragraphs 1 and 3 of the Decree-Law No. 325 of 27 August 1993 relating to the law of approbation 422 of 27 October 1993, which dealt with the adoption of urgent provisions for broadcasting.

In conclusion, with Decision 420/95, the court held that those questions relating to constitutional legitimacy raised in connection with Article 3, paragraph 11, of Law No. 223 of 6 August 1990 (regulation of the private and public radio and television system) and with Article 1, paragraphs 1 and 3, of the Decree-Law No. 325 of 27 August 1993 and Law No. 422/1993 (urgent provisions for broadcasting) were unfounded.

On the other hand, the court held that Article 15, paragraph 4, of Law No. 223 of 6 August 1990 on pluralism, which prohibits the concentration in the hands of one single private operator of a quarter (25%) of all national channels (public and private) or a third of all private channels in the national framework (three out of the existing nine) was unconstitutional.

Finally, the court ruled that the legislator should adopt, before August 1996, in line with the Decree-Law No. 323 of 1993, new regulations in conformity with the Constitution.

These regulations should define the new permitted concentration ratings and choose between different possible normative options, in other words, limit the maximum number of additional channels that may be allocated.

Faced with an appeal from certain members of parliament, supporters of certain referenda, on 20 March 1995, the Constitutional Court came to a decision on Decree-Law No. 83, already mentioned above, with its Decision No. 161 of 10 May 1995.

In this decision, the Constitutional Court amended Decree-Law No. 83 of 20 March 1995; in particular, it annulled retroactively the provision of Article 3, paragraph 6, prohibiting electoral advertising during the thirty days prior to a referendum (except in the event of elections).

The judges of the Constitutional Court deemed that in the event of political or administrative election campaigns, the prohibition of advertising slots for a specific period is justified by the requirement to "give priority to" propaganda as opposed to advertising, whereas in the case of referenda, to which either the answer "Yes" or "No" is given, the distinction between the two types of access to television (propaganda and advertising) is not clear-cut; these two types of access are, on the contrary, essentially the same.

The unreasonable nature of the provision prohibiting advertising for a period of thirty days before referenda is shown by the reduction, over and beyond reasonable limits, of information slots for those persons who are interested either in the repeal or in the survival of rules that are the subject of referenda.

Following on this decision of the Constitutional Court, which eliminated one prohibition but which left in place the principle on *par condicio* (in other words, equality of access to information media during election and referendum campaigns), the *Garante per la radiodiffusione e l'editoria* (the Guarantor for Broadcasting and the Press) adopted the Regulation of 13 May 1995 defining the number and tariffs for advertising slots for referendum campaigns.

A Decree of the President of the Republic of 5 April 1995 laid down the date for the referenda as the 11 June 1995, with twelve referenda, four of which concerned television.

Political debate around these four questions was animated. With the "No" to the three questions concerning the abrogation of certain norms of Law 223/94 (the "Mammi Law"), one rejected the idea of reducing the number of franchises to one per natural or legal person, of restricting advertising during films and of creating a ceiling for income from advertising. With the "Yes" to the question concerning the RAI, the principle of openness of the public broadcasting service to private operators was accepted. Thus the RAI received a clear indication for company management, capable of holding its own against private competition, legitimated by the referendum of 11 June.

For the legislator, referenda are a means to tackle constructively the problems of the radio and television system; in effect, Article 45, paragraph 4, of Law No. 352 of 25 May 1979 states that, in the event of approval of the proposal submitted for referendum, the Minister of the Interior shall present to parliament a bill within the sixty days that follow the publication of the results of the referendum in the *Gazzetta Ufficiale* (Official Journal).

The victory of the "No" vote in the referenda on private television would seem to be in contradiction with the position expressed by the Constitutional Court in its Decision No. 420/95.

Nonetheless, after closer inspection, the referendum question was limited to deciding whether one single operator should own

one single television channel or not, whereas the decision of the Constitutional Court referred to the maximum number in order to avoid dominant positions and thus any violation of the principle of pluralism in the radio and television sector.

The above-mentioned Decree-Laws Nos. 83/95 and 182/95 were promulgated by the government in order to guarantee for voters during election and referendum campaigns freedom and awareness in the process of forming and expressing their political and electoral will, and to guarantee that competitors have equality in conditions of access to, and use of, mass media communication.

With this in mind the, decree-laws identified three different typologies of communication: propaganda, electoral advertising and information.

Then they drew up a series of norms inspired by respect of the *par condicio* principle in certain programmes broadcast. In particular, with reference to election and referendum campaigns, Article 16 of the two decree-laws stipulates equality of treatment for propaganda, advertising and fair allocation of slots and the different indications for voting, and the allocation, amongst those who support the referendum proposal, of slots that suit the Promotion Committees.

All these provisions concerning the referenda have been regulated systematically by the Guarante of Press and Broadcasting in the provision of 12 April 1995, amended, following Decision No. 161/95 of the Constitutional Court, by the provision of 13 May 1995. These provisions have been confirmed following the entry into force of Decree-Law No. 182/95, by the provision of 22 May 1995. Moreover, the provisions governing electoral advertising have established a strict discipline for the presentation of requests for access, their selection, tariffs, and time limits and number of slots to be broadcast for each referendum, the means and methods of broadcasting, etc.

The time devoted by the Fininvest channels to the referendum campaign was mainly limited to those referenda dealing with the audiovisual sector.

For electoral propaganda, broadcast time was shared fairly between those in favour of "Yes" and those in favour of "No".

However, the "No" Promotion Committee was able to benefit from large slots in the electoral advertising programmes partly because the "Yes" Promotion Committee gave up their rights to



© Agenzia Ansa.

these slots, mainly for financial reasons.

In some cases, the Guarantor held that the *par condicio* principle was not respected because of the broadcasting of messages celebrating the fifteenth anniversary of the Fininvest channels immediately after the advertising slots on the "No" position in the referenda.

Nonetheless, the provision aiming at readjusting the disparity thus created was contested by the "No" Committee before the TAR of Lombardy, which suspended it.

There is, at present, an appeal against this decision before the *Conseil d'Etat*.<sup>4</sup>

It should be pointed out that the slots broadcast in favour of the "No" vote were particularly effective, using well-known people from the Fininvest channels.

The indirect forms of promotion of the "No" position expressed in television news and variety programmes are atypical in connotation.

The Guarante intervened several times, either with warnings or with formal provisions of contestation, each time it was noted that the limits stipulated by the law had been exceeded.

In this respect, the difficulties encountered were considerable due to the uncertainty concerning the basic legal framework, which made use exclusively of decree-laws. In effect, the time factor inherent in this kind of legislative means, which is effective only in the sixty days following its promulgation, prevented proceedings in different situations from being completed and raises well-founded doubts as to the continuation of the acts issued since the first decree-law which has now lapsed.



© Patrice Millardet.



© Mario Dotti.

Note: Original language version in French

1. *Tribunali Amministrativi regionali* (TAR). All disputes involving administrative acts are dealt with at first instance by the regional administrative courts.
2. *Società TV Internazionale*. This is the *Società Spa* that manages the national broadcasting service *Telemontecarlo*.
3. The Minister of Post and Telecommunications is competent to grant franchises to broadcasting stations.
4. The *Conseil d'Etat*, with the Decision of 28 July 1995, accepted the reasons of the Guarante and the "Yes" Committee about the Fininvest advertising slots.

Professor Giuseppe Santaniello,  
Il Garante per  
la Radiodiffusione e l'Editoria

## Ufficio del Garante per la Radiodiffusione e l'editoria

### Tasks and Powers

The Publishing and Broadcasting Authority (*Il Garante per la Radiodiffusione e l'Editoria*) was set up in 1990 to keep a watch on the principals and practices in public and private broadcasting, and publishing.

The Garante is appointed for five years without extension. Professor Giuseppe Santaniello was appointed on 24 August 1990, and has since activated the structure's organisational rules. Each year, the authority refers annually to parliament, submitting separate reports about the state and the problems of publishing, radio and television.

In 1990, the authority submitted a copious set of rules on sponsoring accepted in its entirety by the Minister of Postal and Telecommunication Services. In 1993, a new and updated bill on sponsoring and telesales (direct selling by TV) was submitted to, and approved by, parliament.

The authority concentrates on breaches of the "Mamma Law" on broadcasting. It carried out its functions during the particularly difficult 1994 and 1995 election campaigns.

The authority has contributed to the country's information system by co-operating with both Chamber and Senate commissions.

Contact:  
Garante per  
la Radiodiffusione  
e l'editoria

Via di S. Maria  
in Via, 12  
I-00187 Rome  
Tel. (39) 6 678 88 01/50  
Fax (39) 6 678 88 47

# The Television Without Frontiers Directive between the present and the future

### IRIS 1995-11 Special Issue

*IRIS - Legal Observations of the European Audiovisual Observatory* is a law review published ten times a year in the framework of the Observatory's legal information area. It covers legal developments at national, European and international levels that are relevant to the European audiovisual sector. A special issue (IRIS 1995-11) will come out in December 1995.

This special issue will contain an informative overview from a European perspective of legal and law related policy developments that are relevant to the audiovisual sector and which took place in 1995.

The following subject areas will be covered:

- 1995 developments in Article 10 case-law by the European Court of Human Rights and the European Commission of Human Rights by Professor Dr Dirk Voorhoof (University of Ghent - Belgium)

- The Council of Europe and the Media in 1995:

- protection of journalists in situations of conflict and tension;
- access to official information;
- operation of the network of national correspondents on media concentrations;
- portrayal of violence in the media;
- new communication technologies and their impact on human rights and democratic values;
- etc.

- The European Union and the Media in 1995:

- the liberalisation of cable systems;

- copyright and the electronic superhighway;

- "Television Without Frontiers" - discussion of the Commission's proposal to amend the present directive;

- MEDIA II;

- copyright developments under European law;

- dubbing / subtitling under the EEC Copyright Directive;

- media concentration;

- mutual recognition of licences for satellite broadcasting and regulatory framework for digital TV;

and possibly:

- public/private broadcasting/state aid - cases relating to unfair competition pending at Court of Justice;

- an overview of current media law and copyright legislation in central and eastern Europe.

This special issue will be sent free to all IRIS subscribers.

For further information and prices, please contact:

Markus Booms  
European Audiovisual  
Observatory

76, allée de la  
Robertsau

F-67000 Strasbourg  
Tel. (33) 88 14 44 06  
Fax (33) 88 14 44 19

### The European Television

Without Frontiers Directive dates back to 1989 and has been the subject of fierce debate ever since. The directive sets out to promote the audiovisual industry within the European Union. However, several countries see this as a barrier to the system of free trade. Northern European countries and the USA in particular, see the quota system in favour of European audiovisual works as a protectionist measure. Southern European countries, however, support the measure as providing a defence for European Union audiovisual companies and for European culture as a whole against the invasion of American-made productions.

When the directive came into effect, it gave states two years to make the legal, regulatory and administrative provisions needed to bring national law into line with its contents. A directive, it should be remembered, lays down common objectives, but gives each country free rein to take the measures needed to implement the European standards on a national level. The Television Without Frontiers Directive allowed member states to go beyond the limits set out within it if they so wished. The directive also applied to broadcast services (terrestrial, cable, satellite, encrypted or unscrambled broadcasting) and to organisations that were not actually in the Union but which had a satellite link within one of the member states. Article 9 of the directive also states that local television that does not belong to a national network does not come under Articles 4, etc., of the directive (the so-called Berlusconi amendment).

We do not have the space here to discuss the articles of the directive as applied to advertising, sponsorship, the protection of minors, the right to reply, the time allowed after the release of a film before it can be shown on television and teleshopping (the planned increase in the time allowed for broadcasting teleshopping programmes will help this sector to expand). We shall restrict ourselves to the most disputed and the most important provisions, by comparing the current text to the one that will shortly be brought before the member states of the Union. The amended text is the result of the conclusions drawn by the Commission from the annual report on the directive and its effects.

### A) Quotas

- to protect the audiovisual industry and European culture as a whole from the so-called "Americanisation" of the media, the directive has set up a quota system with a minimum figure for the broadcasting of European-made works, some of which have to originate from independent producers. The compulsory nature of these quotas has been kept fairly flexible: the compromise wording says "whenever this is possible: the aim is only to reach the quotas gradually". In spite of these somewhat malleable standards, the Commission considers that the directive has been generally well complied with.

- the Commission also came down in favour of the quotas, albeit with several modifications, considering as they did that they promoted the programme industry.

Some countries, however, only wish to see the quotas applied over a period of ten years, giving European companies the time to gather their strength to compete with their American counterparts.

All ambiguous expressions such as "wherever possible" could thus be deleted.

These channels will be exempt from quotas as they will find it well-nigh impossible to comply with them.

### B) Editorial responsibility; Article 2, etc.

- the current directive states that the law to be applied to broadcasts is that of the country from which the broadcast emanates and not that of the country where the programme is received. The measure aims at preventing several different legal systems applying to any single work on the grounds that it was broadcast to several different countries. The application of the law of the broadcasting country, apart from eliminating any legal ambiguity, also encourages free movement of audiovisual works. Witness the case of Ted Turner's channel, TNT-Cartoon, which saw the opportunity to take advantage of a loophole in British law, which stated that the directive could not be applied to non-national satellites, to flood Europe with its programmes without having to comply with the quotas. The United Kingdom, to justify the non-application of the directive, took the stance that it was allowed to do so by the expression "where-

ver possible". The Commission reacted by stating that this expression did not detract from the compulsory nature of the directive and that it considered this to be a deliberate misinterpretation of the directive. France even lodged a formal complaint with the Court of Justice of the European Union (CJCE).

- the law of the receiving country has not, however, been left toothless. It may in fact take steps to suspend any broadcasting organisations that fail to comply with the directive, providing that a certain number of conditions have been met, for example serious or repeated breaches of the European standards for the protection of minors, etc.

- the proposed new text also put forward a change in the criteria that decide which country a body should be answerable to. The Commission's report stated that the case of Red Hot Television showed that Article 2 of the previous law proved to have loopholes as it could lead to positive conflicts (several legislations applicable) or negative conflicts (no legislation applicable). Red Hot Television was based both in Denmark and Holland and also had an offshoot in the UK, which resulted in a plethora of applicable national legal systems. The proposed new directive aims to redefine the concept of the broadcasting country by new criteria establishing the country in which the broadcaster is based.

### C) Clarification and extension of the field of application of penalties to be applied to channels that fail to comply with the directive: Article 2 bis

The new Article 3 states that a member state may take national measures against a broadcaster where cultural objectives, pluralism of opinion and national linguistic policy is concerned. These measures may only consist of "temporarily taking the appropriate steps to restrict reception or suspending the transmission". Penalties that a state could impose upon a European television channel used to be less restrictive.

Théo Hassler,  
Lawyer, Cabinet Lienhard Petitot,  
Strasbourg, France,  
University Professor

## Dictionaries / Lexica

Barda, J.; Dusanter, O.; Notaise, J. *Dictionnaire du multimédia. Audiovisuel - Informatique - Télécommunications*. AFNOR, Paris, 1995. 886p., ISBN 2-12-465007-6, 345 FF.

Robert, N.B.; Robert, J.-C. *L'anglais des producteurs: Vocabulaire anglais-français du cinéma et de l'audiovisuel*. Economica, Paris, 1995. 297p., ISBN 2-7178-2837-0, 195 FF.

## Handbooks / Indexes / Catalogues

Friedmann, J. *How to Make Money Scriptwriting. A Guerrilla Guide for Selling to Producers, Script Editors and Agents in the Film and TV Industry*. Boxtree, London, 1995. 2nd Floor, Broadwell House, 21 Broadwell, London SE1 9PL; tel. (44) 171 928 9696, fax (44) 171 928 5632.

UNESCO. *Thesaurus. A Structured List of Descriptors for Indexing and Retrieving Literature in the Fields of Education, Science, Social and Human Sciences, Culture, Communications and Information*. UNESCO Publications, Paris, 1995. 706p., ISBN 92-3-003100-3, 300 FF. Trilingual: English / French / Spanish.

Videadoc. *La création audiovisuelle: guide des aides 1995-96*. Vidéadoc, Paris, 1995. 166p., ISBN 2-911138-00-7, 200 FF.

## Statistical yearbooks (international & Europe)

Dean, P. (ed.). *Annuaire européen de la vidéo 1995*. IVF/EVE, Dublin, 1995. 273p. ISBN 0 9523663 2 0. 125 ecus/£100/US\$160, 800 FF.

*Le Marché publicitaire européen / The European Advertising Market*. HAVAS, 136 Avenue Charles de Gaulle, F-92522 Neuilly sur Seine Cedex, tel. (33) 1 47 47 30 00; fax (33) 1 47 47 36 02. 60p.

## Statistical yearbooks (national)

Business Ratio Plus. *The Film and Television Industry*. ICC Information Group, Hampton, 1995. 426p. £195.00.

Carlsson, U.; Anshelm, M. (eds.). *Medie Sverige 1995: Statistik och analys*. Nordicom Sverige, Göteborg, 1995. 381p., ISSN 1104-4829.

## Directories

Berg, H.J. (ed.). *Rundfunk-Gremien in Deutschland: Namen, Organe, Institutionen*. Vistas, Berlin, 1995. 260p., ISBN 3-89158-100-9, 40 DM.

Bilteyst, D.; Burgelman, J.C.; Pauwels, C. *Audiovisuele Media in Vlaanderen. Analyse en beleid*. VUBPRESS, Brussels, 1995. 262p., ISBN 90-5487061.

CIRCUM REGIONAL. *Television in the Regions of the New Europe. Directory 1995*. Circum Regional, Strasbourg 1995.

## Media policy

Fundesco. *Los medios en la configuracion del Estado: Comunicacion social 1994 / Tendencias (Informes anuales de Fundesco)*. Fundesco, Madrid, 1994. 335p., ISBN 84-8112-032-4.

House of Lords' Select Committee on The European Communities. *European Film and Television Industry (8th Report - Vol. D)*. HMSO, London, 1995. 44p., (HL Paper 45-I), £8.00.

Weber, R. *Medienkonzentration und Meinungsppluralismus: Entwicklungstendenzen in Europa und Diskussionsstand in der Schweiz*. Schulthess, Polygraph verlag, 1995. 159p., ISBN 3-7255-3353-9, 60 SFR.

## Cinema

*Cartographie du parc de salles de cinéma en Europe*. Unifrance Film International, Paris, 1995. 124p., 400 FF.

*The Economic Impact of Film production in Ireland 1993*. A report by the Irish Business and Employers Confederation. IBEC, Dublin, 1995. 24p.

Eggers, D. *Filmfinanzierung: Grundlagen, Beispiele*. S und W Steuer und Wirtschaftsverlag, hamburg, 1995. 136p., ISBN 3-89161-783-6, 42 DM.

José I Solsona, C. *Els cinemes de Catalunya: evolucion municipal i comarcal*. Fundacio Institut del Cinema Catala, Barcelona, 1994. 368p.

Steiner, G. *Filmbuch Österreich*. Bundespressdienst/ Bundeskanzleramt, Vienna, 1995. 127p.

## Television

Bondebjerg, I.; Bono, F. *Nordic Television: History, Politics and Aesthetics*. Statens Information, Copenhagen, 1995. 155 DKR.

Lewendoski, P. *Les télévisions françaises dans la perspective du grand marché européen et de la concurrence inter-*

*nationale: le cas de la Haute Définition*. (Doctoral thesis. Information Science. Université Panthéon-Assas (Paris II). 1994). Lewendoski P, 36bis, rue de la Friche, 95520 Osny, 1994. 7 vol., 3850p., 10,000 FF.

## Programmes

Le Bars, S. *Animation française: l'avancée industrielle*. Union of Film Animation Producers with the aid of PROCIREP, Paris, 1995. 320p., 450FF.

Mattusch, U. *Die Entwicklung des kritischen Jugendprogramms im Zweiten Deutschen Fernsehen und seine Zielgruppe: Entwicklungen von 1971 bis 1990 (Forschungen zur Literatur- und Kulturgeschichte: Bd. 48)*. Peter Lang GmbH, Frankfurt-am-Main, 1995. 266p., ISBN 3-631-47715-5, 65 SF.

## Multimedia/ New technologies

Masquelier, H.; Pelletier, J.J. *Le numérique. vers un 8<sup>ème</sup> art. Nouveaux usages et moyens de production pour les images et les sons*. Addison-Wesley France, Paris, 1995. 194p., 158 FF.

Reinhard, U. *Who is who in Multimedia: in Deutschland, Österreich und der Schweiz*. Springer, Berlin, 1995. 234p., ISBN 3-540-58810-8, 69 DM.

## Market analysis

*Film Distribution International: Rights and Markets*. Baskerville Communications, NY-Shrub Oak, 1995. 250p., US\$ 397.00.

*Hörfunk und Fernsehen als Wirtschaftsfaktor: Beschäftigte und wirtschaftliche Bedeutung des Rundfunks und der Programmzulieferer in Deutschland. Eine Untersuchung der Arbeitsgruppe Kommunikationsforschung München (AKM) im Auftrag der Bayerischen Landeszentrale für Neue Medien*. Fischer, Munich, 1995. 144p., ISBN 3-88 927-158-8, 29 DM.

## Law

Barendt, E.M. *Broadcasting Law: A Comparative Study*. Clarendon Press, Oxford, 1995. 268p., £17.95.

Lange, B.-P.; Woldt, R. (eds.). *La transparence dans le contrôle des médias*. European Communication Institute, Düsseldorf, 1994. 210p.

Robson, J.; Griffiths, D. *Law and Regulation in European Multimedia*. Financial Times, London, 1995. £495.00.

## A new subscriber service

The number of references to books, reports and periodicals on film, television, video and new technologies in Europe is continuing to out-grow our column space. Accordingly, we have decided to print only a selection of these references in *Sequentia*, and to provide all our subscribers with a comprehensive list as a special subscriber service.

This list, compiled with the kind assistance of the Library and Information Services of the British Film Institute, and the Deutsche Bibliothek in Leipzig, is a very useful reference tool for all those who need to identify recent books and reports on a subject linked to the audiovisual sector.

For a free sample, please contact:  
*Sequentia*  
European Audiovisual Observatory  
76, allée de la Robertsau  
F-67000 Strasbourg  
Tel. (33) 88 14 44 07  
Fax (33) 88 14 44 19

## The Information Service Desk

### We observe to serve

The Observatory's Information Service Desk handles individual requests for information. It is designed to answer your questions quickly and accurately.

Whether you are only looking for a contact or you have a complicated legal or statistical question: just contact us! The European Audiovisual Observatory is just a phone call or fax away and you can be assured that your work and decisions are based on reliable and up-to-date information.

### Legal Information Service Desk

The legal Information Service Desk covers any area of law related to the audiovisual sector: • competition law, general and media specific • intellectual property law (copyright law) • state aid to the audiovisual industry • access requirements including licensing and registration procedures, transparency obligations and programme prescriptions • advertising and sponsorship rules • protection of minors • laws relating to distribution and infrastructures (telecommunications and cable) • consumer protection • privacy protection • libel and defamation law • right of reply laws relating to journalistic freedoms • freedom of information (public access to information held by authorities) • codes of practice or of conduct.

#### • Document delivery

A major aspect of the Information Service Desk consists of document delivery. The Observatory has access to national, European and international legal and law-related policy documents, which are available to all our clients. These documents concern statutes, case law, Green Papers, White Papers, resolutions, conventions, treaties, etc., and are easily accessible through the Information Service Desk. This service also supplements the Observatory's publication *IRIS - Legal Observations of the European Audiovisual Observatory*.

#### • Document identification

The Observatory and its partners can provide assistance in identifying your precise information needs in the case where you are not certain what documents are applicable to your case.

#### • Facing problems

The Legal Information Service Desk can also be consulted for general information related to the specific legal problems you encounter.

#### • Guidance

The Observatory can guide you to qualified lawyers, consultants, legal information centres or law research institutes in the case where you have a need for more detailed advice on a concrete case or if you want to commission extensive research.

## Contact the Observatory!

You can contact the Observatory by a simple phone call, by fax or by letter and ask for the information you need. We will then advise you on how much it will cost and the amount of time we need to answer.

Once we have the go-ahead, the Observatory and its network immediately start the reply process.

The Observatory's Information Service Desk also provides:

#### Market information

The Market Information Service Desk has been established to provide you with rapid statistical and qualitative information that meets your needs in relation to cinema, television, video and new media markets.

#### Practical information

This service is designed for all professionals and especially those working within the production and distribution of audiovisual works.

Call us for more details of these services!

European Audiovisual Observatory  
76, allée de la Robertsau - F-67000 Strasbourg  
Phone: (33) 88 14 44 00 - Fax: (33) 88 14 44 19